

### 8. Transportation and Communications at the 5th Party Congress

The final resolution of the SED 5th Party Congress promised to "develop the GDR railroads, post and telegraph, highway transport and shipping into an efficient socialist transport and communications system." The following details were mentioned:

- a. The early beginning of serial production of heavy diesel locomotives;
- b. Further electrification of GDR railroads;
- c. Increase in the proportion of road transport and improvement of the highway net;
- d. Completion of the water connection between the port of Rostock and the canals of central Germany.

Subsequent to the 5th Party Congress, various pledges of accomplishment were forthcoming:

- a. Rostock harbor workers pledged to speed work on the new quay so that the first 10,000-ton ship can be loaded there by May 1, 1960.
- b. The Matthais-Thesen shipyard in Wismar has proposed to construct a passenger ship for use in vacation cruises of FDGB members in addition to its regular production planned by 1961.

### EXTERNAL ECONOMIC DEVELOPMENTS

#### 9. GDR-Burma Trade Agreement

Negotiations conducted between government delegations of the GDR and Burma beginning in May resulted in the signing of a long-term trade agreement in Rangoon on July 15. The agreement, which is on a pound sterling basis, includes an agreed list of commodities. GDR deliveries are to include machinery, electrical goods, bicycles, trucks, drugs, chemicals, and paper. Burmese deliveries will include rice, tin, tungsten, silver and teak.

#### Comment:

The new agreement will become effective after ratification by the two governments.

State Dept. declassification & release instructions on file

- 1/ Der Morgen (East) July 22, 1958
- 2/ Der Iner Zeitung (East) July 16, 1958
- 3/ Die Deutsche (East) July 16, 1958

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GDR-Burma Trade - 1956 and 1957  
 (in 1,000 Dollars)

	<u>GDR Exports</u>	<u>GDR Imports</u>	<u>Total</u>
1956	1,831	1,866	3,697
1957	2,198	1,519	3,717

Source: Statistisches Jahrbuch der DDR, 1957

10. GDR Private Industry Export Contracts Criticized

Deliveries under export contracts by GDR private firms during the first half of 1958 amounted to less than one-third of the annual planned goal. As of June 30 contracts for only 69.8% of scheduled exports had been concluded. There is a wide variation in the proportion of planned 1958 exports fixed by contracts during the first half of the year. For example, 99% of the planned 1958 export volume of the heavy machine construction industry had been fixed while only 46% of the planned exports for ready-made clothing and knitwear were covered by contracts at that date. For both these industries actual deliveries to be completed by June 30 amounted to only about 2% of the annual target. It was stated that the relatively small exports during the first half of the year were a reflection of GDR difficulties in import because of the shortage of foreign currency.

11. GDR State Subsidy for Foreign Trade 1957

Calculations based upon figures appearing in the recently published GDR Statistical Yearbook for 1957 and by Neues Deutschland (East) July 18, indicate that the state subsidy to foreign trade in the GDR during 1957 amounted to between 2.6 and 2.8 billion DM (\$), or roughly 4.6% of the GDR national income.

Comment:

The accuracy of this calculation is limited by the inconsistency of published GDR data.

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